

## Message Text

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PAGE 01 QUITO 01140 222202Z  
ACTION ARA-14

INFO OCT-01 PM-05 SP-02 SS-15 CIAE-00 INR-10 NSAE-00  
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O R 222130Z FEB 78  
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TO SECSTATE WASHDC IMMEDIATE 7388  
INFO AMEMBASSY LIMA IMMEDIATE  
AMEMBASSY LA PAZ  
AMEMBASSY SANTIAGO  
AMCONSUL GUAYAQUIL

C O N F I D E N T I A L QUITO 1140

E.O. 11652: GDS  
TAGS: PBOR PEPR EC PE CI  
SUBJ: CONVERSATION WITH PRESIDENT POVEDA, FOREIGN AND DEFENSE  
MINISTERS ON PERU

REF: QUITO 1067

1. BEGIN SUMMARY: PRESIDENT POVEDA AND MINISTERS OF DEFENSE  
AND FOREIGN RELATIONS REITERATED THEIR GREAT CONCERN ABOUT  
PERU SITUATION IN FEBRUARY 22 MEETING WITH CHARGE. FONMIN  
WARNED AGAINST US ENDORSEMENT OF RIO PROTOCOL AS IT APPEARS  
PERU IS SEEKING. PRESIDENT POVEDA ASKED FOR US GOOD OFFICES  
TO REDUCE TENSIONS. ENS SUMMARY.

2. ADMIRAL ALFREDO POVEDA, PRESIDENT OF THE SUPREME COUNCIL,  
CALLED ME IN MORNING OF FEBRUARY 22 TO DISCUSS THE SITUATION  
WITH PERU. (DISCUSSIONS ALSO TOUCHED UPON ECUADOR'S ARMS  
ACQUISITION PLANS AND INTERNAL SITUATION WHICH WILL BE REPORTED  
SEPTELS). ALSO PRESENT ON ECUADOREAN SIDE WERE FOREIGN MINISTER  
JOSE AYALA LASSO AND DEFENSE MINISTER ANDRES ARRATA, AND  
POLCOUNSELOR ON THE US SIDE. IT WAS CLEAR THAT HOUR-LONG  
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CONVERSATION WAS DESIGNED TO GIVE GOE LAST MINUTE INPUT  
PIROR TO MY DEPARTURE FOR WASHINGTON LATER THIS WEEK.

3. ADMIRAL POVEDA SAID THAT HE WAS GREATLY DISTURBED  
BY WHAT WAS OCCURRING IN PERU-ECUADOR RELATIONS. SINCE AUGUST OF  
LAST YEAR THE TWO SIDES HAD BEEN DISCUSSING AMICABLY THEIR  
DIFFERENCES AND SEEMED TO BE MAKING PROGRESS IN RESOLVING  
THE OUTSTANDING SOLUTIONS. BUT FOR THE PAST SEVERAL

WEKS ECUADOR HAS HAD TO CONFRONT A SERIES OF RHETORICAL PROVOCATIONS WITH PERU WHICH IT ONLY DIMLY UNDERSTANDS. POVEDA SUSPECTS THAT THE SOVIET UNION MIGHT BE PLAYING A ROLE IN THE AGITATION. HE SAID THAT MORALES BERMUDEZ HIGHLY TOUTED CHANGE OF DIRECTION FROM THAT OF VELASCO ALVARADO MIGHT ONLY HAVE BEEN A TURNING OF HIS HEAD WHILE HIS BODY REMAINED IN THE SAME PLACE, OWING TO MILITARY DEPENDENCY ON THE SOVIETS. HE SPECULATED THAT IT IS ALSO VERY POSSIBLE THAT PERU CANNOT MANAGE ITS INTERNAL SITUATION AND IS ATTEMPTING TO DISTRACT ATTENTION BY DREDGING UP AN EXTERNAL THREAT. WHATEVER THE REASON, SAID POVEDA, PERU IS REACTING TO EVERY HAPPENING IN SUCH AN EXAGGERATED AND EXTRAORDINARY WAY THAT ECUADOR HAD TO SUSPECT AHT IT WAS LOOKING FOR A FIGHT. HE THOUGHT THAT THE SITUATION MIGHT CHANGE AS A RESULT OF THE RECENT CHILE-ARGENTINA AGREEMENT,BUT MEANWHILE THE SITUATION IS PERILOUS. POVEDA SAID THAT ECUADOR NEEDED ALL THE ASSISTANCE IT COULD GET IN PREVENTING THE SITUATION FROM ESCALATING AND ASKED US TO USE OUR GOOD OFFICES. HE VENTURED THAT ECUADOR WAS WORTHY OF OUR INTEREST IN VIEW OF THE EXAMPLE THAT IT WAS SETTING IN LATIN AMERICAN IN RETURNING TO DEMOCRACY.

4. I RESPONDED SAYING THAT WASHINGTON HAS NOT BEEN UNAWARE OF THE RECENT PROBLEMS. WE HAVE FAITHFULLY REPORTED EVERYTHING THAT HAS BEEN TOLD TO US AND HAVE FORWARDED OUR OWN OBSERVATIONS. I ASSURED THEM THAT AS A RESULT OF MRS. CARTER'S VISIT, THE WHITE HOUSE HAS  
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PROBABLY GIVEN MORE ATTENTION TO ECUADOR THAN AT ANY OTHER TIME. WE ARE EXTREMELY PLEASED WITH THE PRESENT STATE OF OUR BILATERAL RELATIONS AND ALSO ARE GRATIFIED ABOUT THE PROGRESS THAT ECUADOR HAS MADE IN RETURNING TO DEMOCRACY AND OF THE RELATIVELY GOOD RECORD ECUADOR HAS IN HUMAN RIGHTS. I TOLD HIM THAT AS A RESULT ECUADOR'S CONCERNS ARE GIVEN SERIOUS CONSIDERATION.

5. I TOLD THE GROUP, HOWEVER, THAT WE WOULD BE LESS THAN FRANK IF WE DID NOT NOTE THAT PERU TOO HAS BEEN MAKING SIMILAR DEMARCHES REGARDING ECUADOR. I REFERRED TO THE FOREIGN MINISTER'S CONCERN EXPRESSED TO ME THE PREVIOUS EVENING THAT PERU MAY BE SEEKING AN ENDORSEMENT OF THE RIO PROTOCOL GUARANTORS SIMILAR TO THAT OF 1060 (REFTEL, AND EXPRESSED DOUBTS THAT THE US WOULD DO ANYTHING IN THIS REGARD OUT OF CONCERT WITH THE CHILE, ARGENTINA, AND BRAZIL. I ASKED FOR THEIR EACTION TO THIS EVENTUALITY.

6. FONMIN AYALA RESPONDED THAT HE HAD DONE A GREAT DEAL OF THINKING ABOUT THIS CONTINGENCY. HE HAD EXAMINED, FOR INSTANCE, WHETHER OR NOT AN ENDORSEMENT OF THE RIO PROTOCOL WHICH INCLUDED AN ACKNOWLEDGEMENT OF THE EXISTENCE OF THE UNDEMARCATABLE PORTION IN THE CORDILLERA

DEL CONDOR AREA PLUS AN EXHORTATION TO THE PARTIES TO SETTLE THEIR DIFFERENCES ON THE BASIS OF THEIR NATIONAL ASPIRATIONS MIGHT NOT BE BENEFICIAL TO ECUADOR. HE CONCLUDED, HOWEVER, THAT SUCH A DECLARATION MIGHT INFLAME PERUVIAN PASSIONS TO THE EXTENT THAT THEY WOULD BECOME MORE INTRACTABLE, AND MORE DANGEROUS. SIMILARLY, ANY DECLARATION WHICH LEFT OUT THE QUALIFICATION MIGHT BE AS PERNICIOUS FOR ECUADOR TODAY AS IT WAS IN 1960. PERU MIGHT RESPOND TO SUCH AN ENDORSEMENT BY "CLOSING" THE BORDER ON THE CORDILLERA DEL CONDOR, TO WHICH THERE WOULD BE MANY IN ECUADOR WHO WOULD RESPOND WITH A DEMAND FOR MILITARY ACTION. AYALA THEREFORE PLEADED WITH US TO DO ABSOLUTELY NOTHING REGARDING THE RIO PROTOCOL. ON THE OTHER HAND, PRESIDENT CARTER'S COMMANDING MORAL POSITION AND POLITICAL PRESTIGE

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IN LATIN AMERICA AT THE MOMENT MAKES HIS LOW-KEY PRODDING ON THESE ISSUES QUITE EFFECTIVE. AYALA DID NOT THINK THAT US SHOULD JUMP INTO SITUATION PRECIPITOUSLY, BUT CONTINUE TO USE ITS GOOD OFFICES IN A TIMELY MANNER.

7. AYALA RECOUNTED HIS CONVERSATION WITH PERUVIAN AMBASSADOR TO ECUADOR ARTURO GARCIA WHOM HE HAD CALLED IN ON FEBRUARY 22 TO TALK ABOUT THE SITUATION. AYALA COMPLAINED OF THE INCENDIARY ARTICLES THAT WERE APPEARING IN PERUVIAN PRESS AND ASKED THAT GOE ATTEMPT TO STOP THEM. HE SAID HE REITERATED ECUADOR'S PEACEFUL INTENTIONS AND TOOK EXCEPTION TO THE "WARLIKE" DEMONSTRATIONS THAT WERE OCCURRING IN PERU. HE ALSO QUESTIONED THE JUSTIFICATION FOR PERU'S "MASSIVE ARMS BUILD-UP" BY PERU FONMIN DE LA PUENTE IN HIS FEBRUARY 19 SPEECH. WHEREAS BEFORE, WHEN ECUADOR HAD RAISED THE ISSUE OF ARMS PURCHASES, PERU HAD DELITTLED THE CONCERN BY REPLYING THAT PERU WAS ONLY SEEKING TO REPLACE OBSOLETE WEAPONRY, DE LA PUENTE HAD NOW RATIONALIZED THAT IT WAS AN INVESTMENT TO PROTECT ENDANGERED REAL ESTATE. AYALA ALSO SAID HE TOLD PERUVIAN AMBASSADOR THAT ECUADOR STILL MAINTAINS THE LINE THAT WAS ESTABLISHED IN THE BILATERAL TALKS. IF THERE HAS BEEN ANY CHANGE, HE TOLD THE ENVOY, IT HAD BEEN CHANGED DICTATED BY LIMA.

8. PRESIDENT POVEDA CONCLUDED THE DISCUSSION ON THIS SUBJECT, NOTING THAT HE HAD PROMISED TO KEEP PRESIDENT CARTER INFORMED OF THE SITUATION AND WAS DOING JUST THAT. HE HOPED THAT THE PROBLEM WOULD DIMINISH AND THE SITUATION WOULD IMPROVE IN THE NEAR FUTURE, BUT HE WAS PESSIMISTIC AT THE MOMENT. HE SAID THAT ECUADOR COULD NEVER AFFORD TO MATCH PERU'S MILITARY POWER AND FOR THAT REASON HAD TO DEPEND ON THE INTERNATIONAL COMMUNITY FOR THE GREATER PART OF ITS SECURITY, AND ON

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PACIFIC MEANS TO SETTLE ITS LONG-STANDING BORDER DISPUTE  
WITH PERU.  
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## Message Attributes

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